

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 9, 2005

IN RE:

**UNITED TELEPHONE-SOUTHEAST, INC.
2005 ANNUAL PRICE REGULATION FILING**

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**DOCKET NO.
05-00247**

ORDER APPROVING PRICE REGULATION FILING

This matter came before Director Deborah Taylor Tate, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 17, 2005 for consideration of United Telephone-Southeast, Inc.’s 2005 Annual Price Regulation Filing (the “Filing”).

UTSE’s Filing

On September 6, 2005, United Telephone-Southeast, Inc. (“UTSE”) submitted its 2005 Filing for approval by the Authority. This Filing represents UTSE’s calculations of its 2005 Price Regulation Index (“PRI”) and Service Price Index (“SPI”) pursuant to Tenn. Code Ann. § 65-5-109 (2004), UTSE’s price regulation plan,¹ and the price cap methodology approved by the Authority.² UTSE’s filing demonstrates that its overall current prices and revenues are less than the maximum

¹ UTSE elected to become a price regulated company pursuant to Tenn Code Ann § 65-5-209 on June 16, 1995, UTSE submitted a price regulation plan, which the Authority approved on September 20, 1995. (Tenn Code Ann § 65-5-209 is now cited as Tenn Code Ann § 65-5-109)

² In Authority Docket No 96-01423, at the Authority’s request, UTSE and the Consumer Advocate Division of the Office of the Attorney General filed a joint stipulation on January 27, 1997 in which they agreed to a methodology and formula for use in calculating the amount of any price increases by UTSE under its price regulation plan. The stipulation was signed by representatives of the Consumer Advocate and UTSE as well as Citizens Telecommunications of Tennessee, Inc , BellSouth Telecommunications, Inc , and AT&T of the South Central States, Inc. In its Final Order in Docket No. 96-01423, entered on September 4, 1997, the Authority approved the joint stipulation


prices allowed under Tenn. Code Ann. § 65-5-109 (2004), thus creating headroom for which future rate increases may be made. UTSE's Filing does not propose any rate increases at this time.

October 17, 2005 Authority Conference

Upon review of the record in this matter, the panel found that UTSE's Filing complies with Tenn. Code Ann. § 65-5-109 (2004) and the approved methodology. Therefore, at the October 17, 2005 Authority Conference, the panel voted unanimously to approve UTSE's Filing.

IT IS THEREFORE ORDERED THAT:

United Telephone-Southeast, Inc.'s 2005 Annual Price Regulation Filing, filed on September 6, 2005, is approved.


Deborah Taylor Tate, Director


Pat Miller, Director


Sara Kyle, Director